former by Rs. ·82 of a lakh and the latter by Rs. 2·87 lakhs. Land Revenue declined by Rs. 2·06 lakhs, mainly on account of the postponement to this year of the collection of taxes on Kandukrishi pattom wet lands under the Ambalapuzha Kandukrishi. Excise revenue was better by Rs. 1·28 lakhs. On the expenditure side, the large saving was under Education, due to the lapse of a portion of the provision for payment of arrears of grants to Vernacluar Schools.

REVISED ESTIMATES FOR 1106.

3. I now turn to review our financial position for the year which is about to close.

4. The Budget Estimate for the current year was for a revenue of Rs. 250·79 lakhs and provided for an expenditure of Rs. 248·77 lakhs, leaving a revenue surplus of Rs. 2·02 lakhs. But, as a result of the altered situation brought about by the world-wide economic depression and the liquor shop picketing movement started towards the close of the last year, the actuals of revenue for the year, so far known, have not come up to our expectations, while the major portion of the budgeted expenditure has had to be provided for. On the basis of the available figures and with due regard to the effect of the concessions already granted by Government to alleviate economic distress, the revenue and expenditure of the year are now expected to stand at Rs. 233·18 lakhs and Rs. 240·65 lakhs respectively, turning the anticipated surplus of Rs. 2·02 lakhs into a deficit of Rs. 7·47 lakhs.

5. The revenue for the year, as stated above, is expected to fall short of the original estimate by Rs. 17·61 lakhs. The important items which contribute to this decline are Land Revenue (2·89), Excise (11·73), Forest (·66) Stamps (3·43), and Registration (2·20). Land Revenue is expected to be less by Rs. 2·89 lakhs although the revised estimate for the current year takes credit for nearly Rs. 2 lakhs, being the deferred payment of rent on Kandukrishi pattom wet lands under the Ambalapuzha Kandukrishi. As a measure of relief to the Rubber planters, Government have reduced the tax on rubber lands from Rs. two to Re. one per acre in all cases in which the tax is realisable at the former rate and have made the reduction applicable with respect to tax due in 1106 as well. The commutation rate of paddy rent of the Trivandrum and Ambalapuzha Kandukrishi pattom wet lands has been reduced from Chs. twenty-four to Chs. twenty and Chs. eighteen per parah of paddy respectively, for the Minom, Medom and Edavam *thavana* (instalments) of 1106, in the case of those tenants who pay up all the dues for the year within the year itself. In the case of the tenants who have already paid up their dues at the higher rate, the excess has been arranged to be adjusted by short recovery from the next payment. With a view to avoid hardship to such of the ryots as have fallen into arrears of land tax through sheer inability and not unwillingness and as might pay up the dues if given time to find money, Government have instructed the Dewan Peishkars and the Commissioner, Devicolam,

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to grant extensions of time for the payment of tax until the end of the year in deserving cases and to resort to coercive measures only after the expiry of the extended period. Government have also issued orders that the demand notice fees may be waived in the case of those who pay their dues before the end of the year. Excise revenue which comprises Tobacco and Abkari and Opium is expected to fall short of the original estimate by Rs. 11·73 lakhs, of which Rs. ·95 of a lakh is under Tobacco. In view of the high bids realised in most of the taluks in the auction sales held last year, the revenue from Abkari and Opium was estimated at Rs. 39·78 lakhs. But as a result of the picketing movement, the fall in consumption and the remissions that had consequently to be sanctioned to the shop-keepers, a decrease of Rs. 10·78 lakhs is anticipated. Forest revenue is expected to be less than the budget by Rs. ·66 of a lakh due to the general dulness of the timber market. The fall under Stamps and Registration has been brought about by the general economic depression.

6. Increases are, however, expected under Customs (1·63) and Currency and Mint (1·43). Under Customs, the improvement is anticipated under both exports and imports. There is a steady increase in the export of copra, cocoanut oil, dry ginger and pepper during the first ten months of the year as compared with the last year. There is, however, a slight fall in the export of coir, cocoanuts and tea.

7. On the expenditure side, a net, saving of Rs. 8·12 lakhs is expected, of which Rs. 4 lakhs is under Public Works, for which the sanctioned grant for the year had to be curtailed on account of the anticipated fall in revenue. The saving has been effected mainly by postponing the taking up of new works which are not urgent and for which estimates have not been sanctioned. Education expenditure is expected to be less by Rs. 1·34 lakhs, due mainly to savings in the allotment provided for payment of arrears of pay to Vernacular School teachers as per the last revision. A donation of Bh. Rs. 1¼ lakhs has been paid to the Benares University. The University have agreed to reserve for Travancore students 4 seats in the Electrical Engineering Course, 2 seats in the Industrial Chemistry Course and one each in the Mining and Metallurgy Courses. A saving of Rs. ·58 of a lakh is expected under Police, mainly under Establishment charges.

8. Increased expenditure is expected under some of the major heads of which the important ones are Panivagai (·63) and Miscellaneous Political Expenditure (·57). The increase under Panivagai is due to the additional grant sanctioned during the year for Pattom Palace works and that under Miscellaneous Political Expenditure is on account of our share of the expenses in connection with the Indian Round Table Conference.

9. Under Capital receipts, the sale proceeds of Government lands are expected to amount to Rs. 3·25 lakhs against the budgeted figure of Rs. 4 lakhs and the Capital expenditure is expected to stand at Rs. 16·60 lakhs against the original grant of Rs. 27·03 lakhs, the anticipated saving being mainly under Trivandrum Water Supply

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Scheme. In the result, the Government balance which stood at Rs. 165·57 lakhs at the beginning of the year is expected to be reduced to Rs. 144·75 lakhs at its close.

BUDGET ESTIMATES FOR 1107.

10. I shall now pass on to the Budget Estimates for the next year. The revenue is estimated at Rs. 232·19 lakhs and an expenditure of Rs. 231·66 lakhs is provided for, thus leaving a small revenue surplus of Rs. ·53 of a lakh. The Capital receipts from the sale proceeds of Government lands are expected to amount to Rs. 4 lakhs and the programme of Capital expenditure is to cost Rs. 18·34 lakhs. There will thus be a net drawing of Rs. 13·81 lakhs from the balance at our credit, on account of the proposed expenditure on Capital Schemes.

REVENUE.

11. The total revenue for the next year is estimated at Rs. 232·19 lakhs as against the current year's estimate of Rs. 250·79 lakhs and the revised estimate of Rs. 233·18 lakhs. The estimated fall in revenue for the next year as compared with the actuals of 1105, the Budget Estimate and the revised estimate of 1106 is Rs. 15·04 lakhs, Rs. 18·60 lakhs and Rs. ·99 of a lakh, respectively. As compared with the revised estimate, the principal items which contribute to the fall are Taxes on Income (1·06), Customs (·82) and Currency and Mint (2·58).

12. *Taxes on Income.*—The revenue from this source is expected to be less than our anticipations this year by Rs. 1·06 lakhs, the estimated fall being mainly under income derived from business, due to the general trade depression as a result of the phenomenal fall in prices.

13. *Customs.*—The favourable conditions of the mud-bank at the Alleppey Port serve to attract trade throughout the year. There was an appreciable increase in the tonnage of the vessels calling at our ports as compared with last year. Though the volume of our export trade has been steadily increasing, it has been urged that our export tariff rates fixed at a time when the price of our raw materials was ruling high in the market, require revision. The present unprecedented fall in prices has indicated the need for a reduction of the tariff values on the more important articles of export. Government have therefore reduced, with effect from 5th Karkatakam 1106, the tariff values, for purposes of levy of export duty, of copra, cocoanuts, coir and cocoanut oil, by 20 per cent, of dry ginger, prawns and turmeric by 33 1/3 per cent, of unscraped ginger by 36 per cent, of cocoanut husk by 50 per cent and of lemon grass oil by 75 per cent. In view of the reduction in the tariff rates of our principal articles of export trade and making due allowances for a normal expansion in the export trade, the Customs revenue for the next year has been estimated at Rs. 34·95 lakhs or Rs. ·82 of a lakh less than our expectations for the current year.

14. *Currency and Mint.*—On account of the low balance of our silver coins in the treasuries, coins for the face value of Rs. 4 lakhs have been minted during the current year. As this stock is considered sufficient for the present, it is not proposed to mint silver coins next year.

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